

\_\_\_\_\_ BILL NO. \_\_\_\_\_

INTRODUCED BY \_\_\_\_\_  
(Primary Sponsor)

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAWS GOVERNING THE EXPENDITURE OF STATE FUNDS; EXCLUDING MONEY DEDICATED TO A SPECIFIC PURPOSE BY MEANS OF A BALLOT ISSUE FROM STATE EXPENDITURE CALCULATIONS; AMENDING SECTIONS 17-8-105 AND 17-8-106, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 17-8-105, MCA, is amended to read:

**"17-8-105. Definitions applicable to expenditure limitation.** As used in 17-8-106, the following definitions apply:

(1) "Montana total personal income" means the current income from all sources received during a particular period of time by persons residing within Montana as determined by the United States department of commerce or its successor agency.

(2) (a) "State expenditures" means the general fund appropriations, the state special revenue fund type appropriations other than those excluded under subsection (2)(b), and the cash portion of the appropriations in the capital projects fund type;

~~(b) excluding~~ The term does not include:

~~(a)~~(i) money received from the federal government;

~~(b)~~(ii) payments of principal and interest on bonded indebtedness;

~~(c)~~(iii) money paid for unemployment or disability insurance benefits;

~~(d)~~(iv) money received from the sale of goods or services provided that the purchase of the goods or services is discretionary;

~~(e)~~(v) money paid from permanent endowments, constitutional trusts, or pension funds;

~~(f)~~(vi) proceeds of gifts or bequests made for purposes specified by the donor;

~~(g)~~(vii) money appropriated for tax relief; ~~and~~

~~(h)~~(viii) funds transferred within state government or used to purchase goods for resale; and

(ix) money dedicated to a specific use or uses by a ballot issue."

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2       **Section 2.** Section 17-8-106, MCA, is amended to read:

3       **"17-8-106. Expenditure limitation -- exception.** (1) Except as provided in subsection (2), the state  
4 expenditures for a biennium may not exceed the state expenditures for the preceding biennium plus the product  
5 of the state expenditures for the preceding biennium and the growth percentage. The growth percentage is the  
6 percentage difference between the average Montana total personal income for the 3 calendar years immediately  
7 preceding the next biennium and the average Montana total personal income for the 3 calendar years  
8 immediately preceding the current biennium.

9       (2) The legislature may appropriate funds in excess of this limit ~~from the reserve account~~ if:

10       (a) the governor declares that an emergency exists; and

11       (b) two-thirds of the members of each house approve a bill stating the amount to be spent in excess  
12 of the expenditures limitation established in subsection (1), the source of the excess revenue to be spent, and  
13 an intention to exceed the limitation.

14       (3) Expenditures may exceed the expenditures limitation only for the year or years for which an  
15 emergency has been declared.

16       (4) The legislature is not required to appropriate the full amount allowed in any year under subsection  
17 (1)."

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19       NEW SECTION. **Section 3. Effective date.** [This act] is effective on passage and approval.

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